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ICD ALLOYS &  
METALS

# ESG REPORT

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ALLOYS & METALS LLC

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# A MESSAGE FROM THE CEO

Being dynamic is a fundamental value of ICD Alloys & Metals that has been consistently tested with pandemic market pressures. It has been an honor to work alongside the dedicated workforce of ICD to witness the combination of agility and responsiveness to employee safety and partner needs while strategically evolving to the demands of the market over the past two years. These challenges have strengthened our commercial and operational processes and systems and galvanized our culture because we know we can deliver when we take care of each other. I could not be more proud of what ICD has accomplished and is prepared to deliver in the future. Thank you for all the support and partnership in our sustainability journey.

**ALEXANDRE LEVIANT**  
CEO, ICD GROUP



# A MESSAGE FROM THE PRESIDENT

“Ethical business solutions from mine to market” has been our guiding purpose from day one. This purpose has also been the catalyst that has informed our strategic sustainability decisions throughout the pandemic.

Our stakeholders and our core values are at the center of every decision we make. We act fast to address their immediate needs and listen to their long-term priorities. To elevate our employees’ experience, we strengthened programs and processes to ensure the safety of our employees, enriched our culture where we take

care of each other's well-being, and have goals to strengthen our diversity, equity and inclusion.

Supply chain constraints and volatile pricing left many customers and suppliers with challenges as well. Because of ICD's global partnerships, we have been able to secure products and create long-term relationships that reduce supply and price fluctuation. To further develop our sustainability and reliability with our customers, we have invested in operational processes and business acquisition of ICD Melting Solutions to make ICD the one point of contact for their specialized metals and alloys needs.

We continue to deepen our scrap recycling volume and capabilities year over year to reduce the environmental impact of traditional mining and are always seeking innovative opportunities to onshore production of critical metals, decrease carbon emission, and increase full traceability of our products.

Sustainability is embedded in our external and internal business model but we know it takes all of our stakeholders to be working together to accomplish our ambitious goals. Thank you for everyone's efforts that have made our current success possible. I'm excited to be in this sustainability journey with you.



**STEVE CONLIN, PHD.**  
PRESIDENT, ICD ALLOYS &  
METALS



The purpose of our first annual ESG report is to measure our baseline impact so we can track our progress of ESG-related activities over time. This report covers 100% of ICD Alloys & Metals' (ICD A&M) office sites and full-time employees.

Based in Winston-Salem, North Carolina, ICD Alloys & Metals are specialists in the sourcing, processing, and supply of strategic product ranges into both domestic and international industrial sectors, which include pure noble metals, base and minor metals, intermediates and metal oxides, alloys and revert, metal powders, rare earth elements, ferroalloys, ores, and minerals. We combine years of experience in metallurgy, global networking, and the provision of innovative supply solutions to best serve our clientele.

**OUR MISSION IS TO  
PROVIDE ETHICAL  
BUSINESS  
SOLUTIONS FROM  
MINE TO MARKET.**

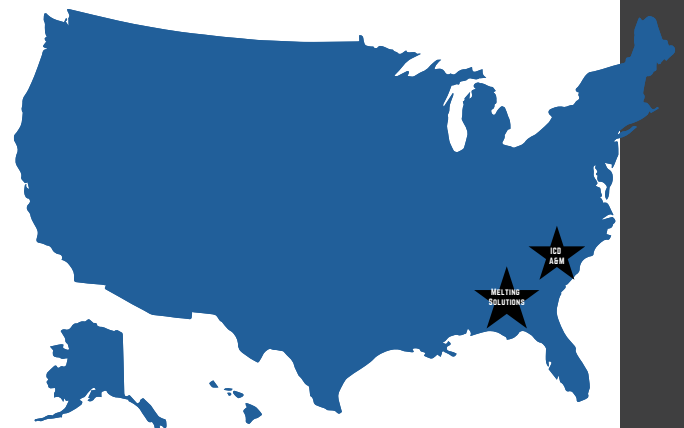
Our mission is further underscored by our core values, which guide us in every strategic decision we make.

## CORE VALUES

**Integrity** – Upholding the highest standards of ethics, reliability, and professionalism in everything we do.

**Culture** – We respect and value our customers, suppliers, colleagues, and the environment.

**Dynamic** – As a team, we are creative, bold, and responsive.



*“ICD A&M has a culture based on problem solving for our customers and suppliers. This is not just a mission statement; it shows up in everyday actions. The team is built with a vast pool of knowledge, with individuals bringing varying skill sets and ideas to the table. Management actively listens, empowers, and works together with team members to get things done while egos are left at the door.”*

*-Philip Rosenberg  
Business Development Manager, ICD A&M*

# WE KNOW WHAT'S IMPORTANT

## MATERIALITY ASSESSMENT

The ICD A&M materiality list was developed from a sector-level analysis of ESG materiality issues along with peer reporting of topics considered relevant. The materiality assessment included management's judgment and perception of importance to the business and to stakeholders.

The matrix score is determined by multiplying the perceived score of importance to the business on a numerical scale (one-10, one being of lowest priority, 10 being highest priority) by the score of importance to stakeholders. These topics include: Employee Health and Safety; Materials Sourcing; Diversity, Equity, and Inclusion (DEI); Product Quality; Supply Chain Management; Business Model Resilience; Labor Practices; Business Ethics; Waste Management; Human Rights; Data Security; Systemic Risk Management; Management of the Legal and Regulatory Environment; Energy Management; Water Management; Air Quality; and GHG Emissions.

Much like our fellow ICD subsidiaries, A&M scored the highest in social topics, followed by governance. Due to our nature of business, keeping our employees safe, and providing our customers

with high-quality products with a transparent supply chain is essential to our success.

*Our materiality analysis shows high-priority items in employee health & safety, materials sourcing, supply chain management, and labor practices.*



82.8

AVG. MATRIX SCORE  
FOR SOCIAL TOPICS

68.2

AVG. MATRIX SCORE  
FOR GOVERNANCE  
TOPICS

40.8

AVG. MATRIX SCORE  
FOR ENVIRONMENTAL  
TOPICS

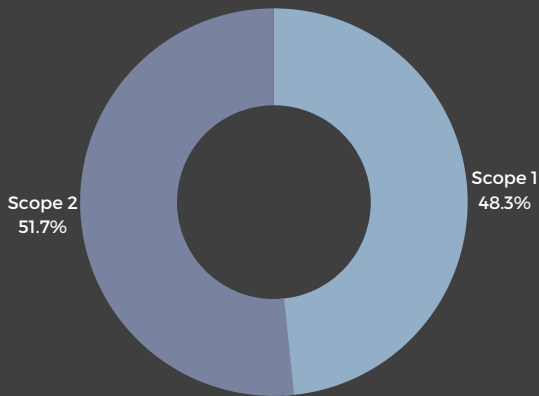
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# ENVIRONMENTAL IMPACTS





Breakdown of Scope 1 & 2 Emissions  
as a Percentage, FY2021

To reduce our Scope 2 emissions, we have audited our HVAC system and implemented a smarter heating and cooling process in our new office sites.



We will be switching to 100% LED lights at all ICD A&M sites in order to increase our energy efficiency, extend the lifespan of our lighting, and mitigate UV and heat from standard bulbs.



ICD Group intends to replace our combustion-engine forklifts with electric after their lifetime.



## ENERGY & EMISSIONS

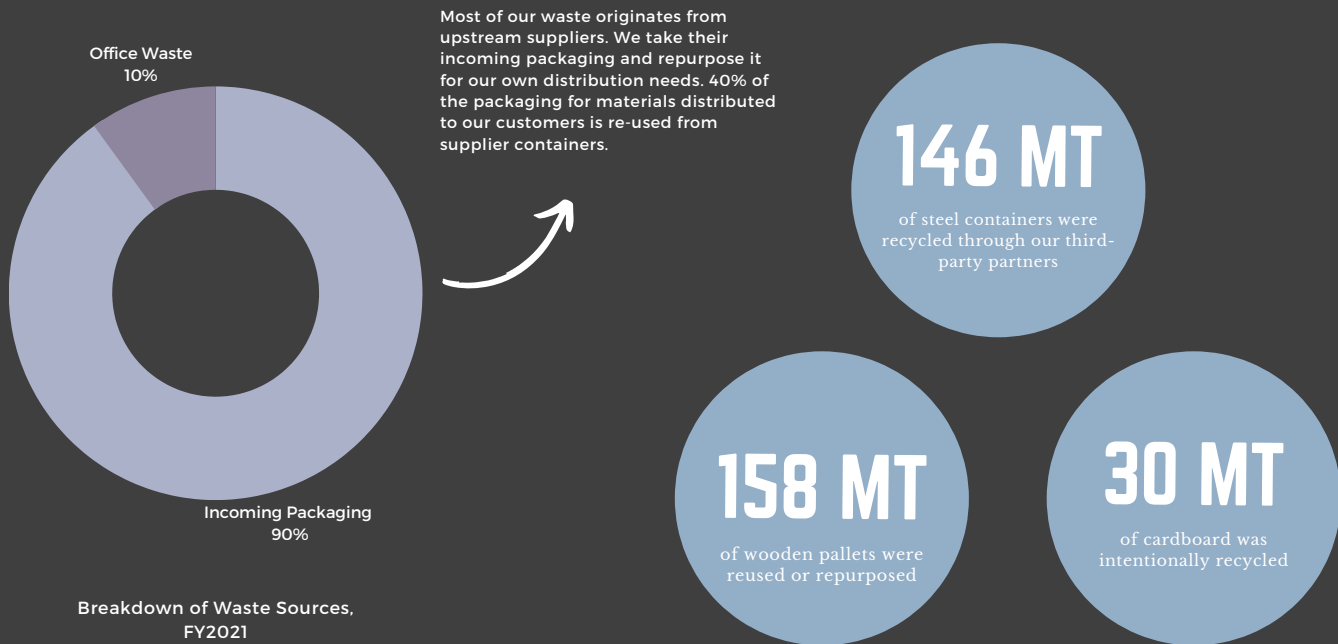
Scope 1 (direct) and 2 (indirect) emissions were estimated using S&P Global's EEIO model based on the nature of our business. Scope 3 was not calculated for FY2021. Scope 1 is defined as the direct greenhouse gas (GHG) emissions from direct operations with the consumption of fossil fuels. Scope 2 is defined as GHG emissions from the consumption of purchased electricity using data from sectoral emission factors from S&P's EEIO Model. Emissions intensity is calculated as a unit of emissions per employee.

During FY2021, Scope 1 (direct) emissions were estimated at 3,398.0 tCO<sub>2</sub>e, while Scope 2 (indirect) emissions were estimated at 3,633.2 tCO<sub>2</sub>e. Total emissions were 7,031.3 tCO<sub>2</sub>e.

Scope 1 emissions intensity per employee was 73.9 tCO<sub>2</sub>e, while Scope 2 intensity was 79 tCO<sub>2</sub>e.

Total emissions intensity (combined Scope 1 and 2) came out to 152.9 tCO<sub>2</sub>e per employee.

As part of our ongoing efforts to reduce emissions and energy usage, our North Carolina site is periodically assessed for identifying measures to strengthen energy conservation and optimize energy costs through a smarter HVAC and lighting system. We have implemented a sensor-based lighting system and will switch to LED lights at all of our ICD A&M site locations. In our warehouses and across all operations, we are completely transitioning to electric forklifts after the life of our existing combustion-engine forklifts. To further mitigate our Scope 3 (indirect) emissions, our office sites allow for remote work to reduce commuting emissions. ICD A&M also practices LCL (less than cargo load) shipping across our distribution network to ensure the optimization of Scope 3 emissions throughout our downstream operations.



## WASTE & WATER

ICD A&M used the EEIO model to determine the most accurate estimation for our waste production. During FY2021, we produced 509 tonnes of waste, with an intensity of 11.06 tonnes per employee. 90% of waste generated is from incoming packaging of purchased materials from upstream suppliers, while the remaining 10% is office waste consisting mostly of paper products. As per the EEIO modeling, an estimated 86% of our waste is sent to the landfill, while 14% is incinerated, without taking into account our recycling initiatives which were not quantified in the EEIO modeling. We receive shipping materials in the form of steel containers, wooden pallets, and cardboard. ICD A&M contracts third-party recycling companies to ensure the proper disposal of these materials. During this reporting period, 146 mT of steel

containers, 158 mT of wooden pallets, 30 mT of cardboard were intentionally recycled through our partners. There is no hazardous waste generated at ICD A&M sites, and we adhere to site-specific standards and guidelines of all waste generated throughout our operations.

We intentionally partner with industry-best recyclers for steel drum intake and recycling, cardboard recycling from supplier packaging, and for delivery pallets repair and rebuilding to extend their lifetime.

The estimated water withdrawal, based on S&P Global's EEIO Model, for ICD A&M during FY2021 was 18,303 m<sup>3</sup> with an intensity of 397.89 m<sup>3</sup> per employee. We source water from our municipal water supply, and dispose of grey water via a sanitary sewer through the local treatment plant. The main use case of our water withdrawal is for processing metals and domestic restroom and kitchen needs. We do not source water from any areas of water stress.

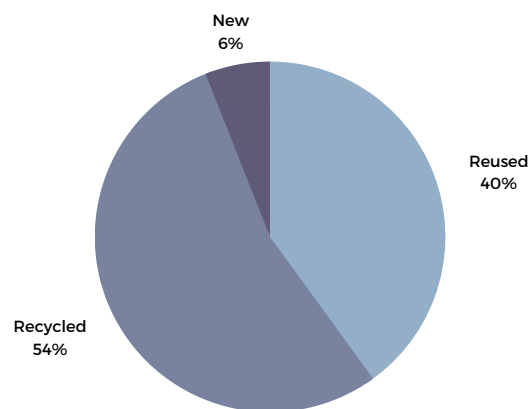
## MATERIALS, SOURCING, & SUPPLY CHAIN

We have built relationships with multiple reputable suppliers to pass on the savings and reliability to our customers. The majority of our suppliers are ISO 9001:2015 certified, while about 50% have ISO 14001:2015 environmental accreditation; these suppliers are given preference. ICD A&M performs thorough due-diligence to confirm, before purchase, that no materials are sourced from conflict regions and are procured through ethical means. ICD A&M adheres to CF2000:2021, OECD guidance, and UN Security Council Standards. All of our new suppliers are held to the highest standards and must go through an approval process which includes an analysis of their approach to sustainable procurement which includes additional RMI and CF2000:2001 compliance in potential conflict areas. Key suppliers are audited every year on-site with some exceptions due to COVID-19.

All ICD A&M products have a minimum of three approved and audited suppliers to minimize risks of disruption should any unforeseen issues occur and to mitigate any supply chain risks due to the legal and regulatory environment, or climate change. ICD A&M prioritizes using innovative techniques for production processes, including scrap

metal for final products. ICD A&M's metal alloy supply is derived from roughly 70% recycled and 30% virgin metals. For our customer's production of final products, this equates to a 90% customer demand for recycled products for their specs and an estimated 10% require some or all virgin metals. As production processes evolve towards increased levels of recycled metal alloys, ICD A&M is prepared to increase our supply of recycled metal alloys.

We receive millions of pounds of packaging materials from our upstream suppliers which we reuse for our distribution needs. 40% of the packaging for materials distributed to our customers is re-used from supplier containers, 54% is from recycled materials, and only 6% is from new materials. All unusable incoming packing materials are separated into appropriate recycling containers to prevent landfill waste and ensure proper disposal.



Breakup of Materials Used for Packaging, FY2021





# 65%

of ICD A&M's products come from recycled and recovered metals and scrap, rather than virgin materials through urban mining techniques.

## **"URBAN MINING"**

is the process of reclaiming raw materials from waste products. The metal waste generated in industrial environments are a valuable resource to meet the demands of manufacturing, limiting the need for mined metal.



## LOOKING AHEAD: ENVIRONMENTAL GOALS FOR 2023 AND BEYOND

# 01

### IMPACT TRACKING

We will work towards increasing the accuracy of our environmental impact data within energy, emissions, and waste categories. By doing this, ICD can partner with third-party carbon offsetting programs to reduce our past impact.

# 02

### FOOTPRINT REDUCTION

We will reduce our on-site footprint in 2023 and beyond by:

- Installing LED lighting throughout our offices and warehouses
- Continuing to replace combustion-engine forklifts with electric
- Recycling all paper, plastics, and glass through municipality recycling and third-party partners to ensure proper disposal of waste

# 03

### MATERIALS RECYCLING PROCESSES

We will exceed our current volume of 65% scrap metal repurposing in order to reduce our dependence on mined raw materials and foreign suppliers, as well as encourage our markets to invest in recycled materials.

# 04

### INNOVATION INITIATIVES

ICD Group will advance our proactive recycling and repurposing initiatives to cement us further into the top one percent of innovative companies in our markets. A point of emphasis is to onshore production of critical metals for a conflict-free and reliable supply chain.

A dramatic industrial scene featuring a bright blue and white welding torch cutting through metal, with a massive spray of glowing orange sparks erupting from the point of contact. The background is dark, emphasizing the intense light and heat of the welding process.

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# SOCIAL IMPACTS

**ICD**  
ALLOYS & METALS LLC



## REGULATORY COMPLIANCE & HUMAN RIGHTS

We prioritize sourcing, supply chain management, and ethical labor practices as part of our top-tier materiality topics. Minerals and metals sourcing has been historically tied to human rights violations, environmental degradation, and violence. ICD Group has a 70+ year history of rewriting that narrative- we work with third-party standardizing and best practices boards, as well as full compliance with U.S. and global regulations to ensure extensive due-diligence and transparency for our customers.

### ISO 9001:2015

Quality Management Systems requirements for the International Organization for Standardization (ISO).

All ICD Group subsidiaries, including ICD A&M, demonstrate their ability to consistently provide products that meet customer needs and necessary regulatory requirements, while also aiming to enhance customer satisfaction through efficient use of the ISO 9001:2015 quality management system. This system includes processes for continuous improvement and assurance of applicable regulatory requirements. Through this standard, we prioritize our customers and utilize this third-party certification to not only ensure their satisfaction, but exceed their expectations.

### CF2000:2021

The CF2000:2021 standard helps organizations ensure transparency throughout the supply chain. It is especially applicable to conflict mineral sourcing and ensures these minerals are not processed through enslavement or fund armed conflict. CF2000:2021 also falls under the Dodd-Frank Act, an Obama era legislation which calls for transparency and accountability by financial institutions around mineral mining, and now under the SEC's section 1502 of the Dodd-Frank Act, requires companies to publicly disclose their use of high-conflict minerals from the DRC, as well as surrounding regions. The minerals in question include Tungsten, Tin, Tantalum, and Cobalt- all of which are becoming more relevant to new forms of industry such as EV batteries and semiconductors.

### THE RESPONSIBLE MINERALS INITIATIVE (RMI)

The Responsible Minerals Initiative (RMI) is a global resource in addressing responsible minerals sourcing throughout supply chains. The assurance process includes a third-party audit that determines the melters and refiners who are aligned with international mining standards. The mission of RMI is to bolster the supply chains which "contribute

positively to socio-economic development globally” and to re-shape the dialogue around responsible sourcing and the bottom line. ICD A&M has an RMI downstream assessment in progress in an effort to demonstrate our responsible sourcing practices are aligned with the OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas, and to provide validated information about its due diligence activities. We are on track to obtain full RMI certification in 2023.



As part of our code of conduct, we ensure there is no use of forced, prison, indentured, or child labor by any of our suppliers. All employment, including overtime, is on a voluntary basis. Suppliers are required to comply with prevailing industry wage standards including minimum wage laws and provisions for overtime, in an effort to maintain fair working conditions from the origin of our networks. This code of conduct also includes aspects such as compensation, working hours, and nature of engagement.

We are aligned with the implementation and practice of respecting and honoring human rights across the business value chain including third party contractors, suppliers, and other vendors. We are working on solidifying a written supplier approval process which takes into account high environmental and social standards to streamline our new supplier approval process in alignment with our sustainability principles and core values.

# ZERO

human rights violations  
along our supply chain  
during FY2021.

## EMPLOYEE HEALTH AND SAFETY

A&M prioritizes worker health and safety, as evidenced by its top ranking on our materiality assessment. We provide our employees with all necessary personal protective equipment and tools across all job functions. We have a clean air filtration system involved in thermal arc cutting which includes air quality monitoring. Our full-time dedicated Employee Health and Safety (EHS) manager conducts annual reviews of all safety policies, and we contract out a third-party audit of our safety systems and SOPs to receive unbiased feedback and a subsequent change



management plan. Our employees are provided with comprehensive on-the-job training which includes OSHA training, forklift operation, equipment Lock-Out-Tags (LOTO), evacuation drills, proper PPE, and a hearing conservation program with plans for first aid and CPR. Hazard IDs, risk assessments, and incident investigations are reviewed, assessed, and addressed at weekly production safety meetings. Each incident is thoroughly assessed to determine the root cause and adequate corrective measures are then implemented. Feedback from employees is welcomed throughout the risk assessment stage to the investigation process.

During FY2021, there was one reported workplace injury. This accident was caused by a mechanical nip point and resulted in a hand injury. Actions were immediately taken to eliminate the hazard such as distancing employees from the operations and installing proper warning signage, and re-training our workforce.

LTIFR, 2021 **3.75**

This one incident resulted in a 3.75 LTIFR. A Lost Time Injury Frequency Rate (LTIFR) is the frequency of lost productivity hours due to injuries in the workplace, and we are continuously updating our safety training to decrease injury risk, and our total LTIFR profile.

## TRAINING AND EDUCATION

One hundred percent of our employees received career development and performance reviews in FY2021. This increases employee engagement, fosters a culture of feedback, and helps us plan for internal promotions. ICD A&M employees are encouraged to utilize our continuous learning program for both personal and professional development, and to contribute to our robust human capital.

**100%**

of our employees received career development and performance reviews

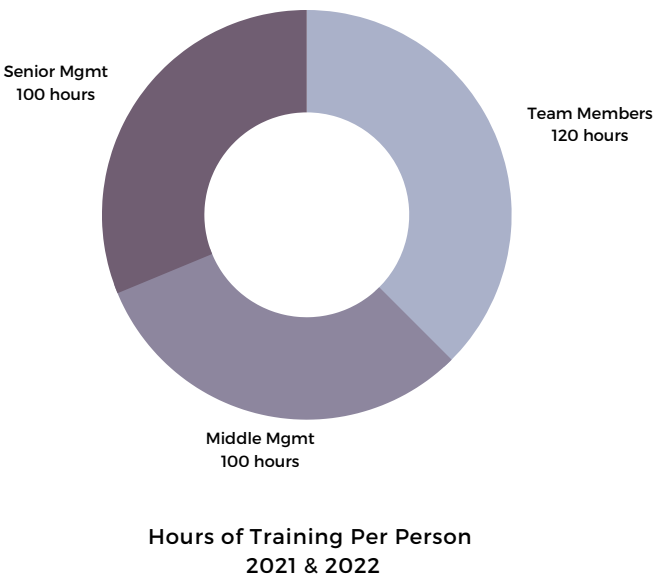
## MENTORSHIP & EDUCATION ENDOWMENT PROGRAMS

A core part of our company culture is supporting our employees within their roles, and helping them pursue professional development opportunities. We do this through continued communication about education endowments and funding, as well as mentorships where employees can learn valuable on-the-job skills from those who have valuable experience to share.

All full-time, regular employees are eligible for benefits under this policy.

Employees may pursue a degree or take individual courses at approved and accredited educational institutions under this program, provided the course of study is related to the employee’s current position or a probable future assignment or project in order to maintain our highly-skilled and knowledgeable talent pool.

In addition to our formal continued education and mentorship policies, we provide on-the-job training throughout the year to maintain skills and maintain our health and safety standards. In 2021 and 2022, non-management team members received 120 hours of training per person, while middle and senior management received 100 hours of training per person.



**MENTORSHIP & PROFESSIONAL DEVELOPMENT**  
**CASE STUDY: WILLIAM GEORGE**

William George, our Trading Manager at ICD A&M, exemplifies our values and is a testament to our culture of promoting professional development. William started working for ICD in 2013, under the mentorship of our president, Steve Conlin. William began working in warehouse operations; sorting, processing, and testing revert metal. He held almost every role and excelled at not only understanding our business but making relationships with colleagues and partners across the company. Over several years, he continued to excel and display the initiative and capability of taking on more within the company.

Eventually, he knew every aspect of operations and wanted to apply his production knowledge and leadership abilities to the commercial side of the business. With Steve’s mentorship, rooted in feedback, honesty, and persistence, William has become a leading salesperson.

Some main takeaways William has from his journey from shop floor to commercial leadership are his determination and goal-oriented mindset. He has honed his skills in being proactive and tactful with clients, as well as being resourceful in any role you’re in. He is a firm believer

in the ethos of “it’s not what you do, it’s how you do it”. William now leads junior salespeople on his team and is passing along the knowledge he has learned from Steve. ICD fully believes our best future leaders are built from within and William is a great example of how true this ethos is.

*“There are always opportunities if you are willing to put in the effort; the sky’s the limit here at ICD.”*

*-William George  
Trading Manager, ICD A&M*



## ICD EDUCATION ENDOWMENT CASE STUDY: JOSH LEE

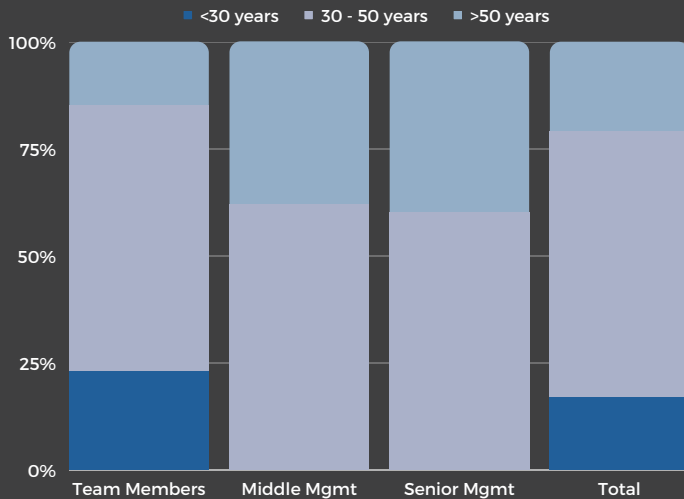
Josh Lee joined ICD A&M in 2020 as a financial analyst. Since then, the scope of his work has grown into cross-departmental work, reporting, and analytical accounting. He is currently in the process of obtaining his MBA degree, with a concentration

in finance, from Wake Forest University and plans on graduating in the Spring of 2023. When he first started at ICD A&M, he described himself as having “tunnel vision” within his role. Josh’s MBA program has exposed him to a broader business perspective, with a more holistic view of business functions as an ecosystem, rather than separate departments working as their own unit. One main lesson he has taken away thus far is that we are all facing similar challenges regardless of the size or industry of your business. It all comes down to team collaboration and how you work through these issues in strategic and interdisciplinary ways. ICD has been supporting Josh through the Education Endowment Program, in which 100% of his tuition costs are covered in an effort to encourage all employees to pursue higher education, further training, and professional development.

*“One of the unique characteristics of ICD is that there is a lot of freedom to pursue your professional goals. This culture stems from trust, and encourages you to remove any limitations you put on yourself in your professional life.”*



*-Josh Lee  
Financial Analyst,  
ICD A&M*



Age Group Breakdown by Position, FY2021

100%

EMPLOYEE  
RETENTION RATE  
FY2021

## DIVERSITY, EQUITY, INCLUSION (DEI)

Diversity is a core part of every strong, resilient workforce. In a traditionally male-dominated industry, we are working towards a more diverse employee base to ensure equal opportunity in all spaces.

ICD A&M tracked diversity data in terms of age groups (under 30 years, 30 - 50, over 50 years old), and gender (self-identified male and self-identified female). In FY2021, our full-time workforce consisted of 91% males, and 9% females. Our total pay gap at ICD A&M is 40%; this statistic goes hand-in-hand with focusing our efforts on reducing gender barriers in our industry, and creating a more balanced workforce throughout our company. This number was calculated based on UK guidelines; a positive figure shows us that women have a specified lower pay, whereas a negative figure reveals that men have a lower pay relative to women across management levels. Middle management salary gap is 25.5%, while the team member level is 6%.

We are working to aggressively close these gaps through a series of new hiring practices, including blind applicant screening, diversity outreach, and an expansive parental leave policy.

Our largest age group, consisting of 62% of our workforce, is 30 - 50 years. Over 50 years of age constitutes 21% of our workforce, and under 30 years is 17%. In FY2021, we hired two new employees, both over 50 years old. There was zero employee turnover. We are proud of our employee retention, and will continue to develop a high standard of work culture in ICD A&M through robust benefits, parental leave, and education opportunities.

*"At ICD A&M, our culture emphasizes teamwork and collaboration, encouraging employees to work together to achieve common goals and deliver exceptional results. This fosters a positive working environment and helps to drive innovation and success throughout our team."*

*-Jeremy Tew  
Business Development Manager, ICD A&M*



## COMMUNITY ENGAGEMENT

Our relationship to the local community is essential to our success. We support local charities, youth sports, homeless shelters, and religious groups while also providing employment opportunities to our Winston-Salem neighbors.

We are constantly monitoring our operations for any changes in the release or output of harmful substances that might contaminate our groundwater, air, or soils. ICD A&M does not release any toxic substances outside of internal combustion engines from our forklifts and other distribution vehicles, and we have no significant negative environmental impact on our community. Our policies are in alignment with International Finance Corporation's (IFC) performance standards which identify and manage environmental and social risk

## PHILANTHROPY

Philanthropy has been a part of ICD A&M's culture since its inception. Alexandre Leviant, ICD Group's CEO, emphasizes proactive pitching and bringing charitable



causes to his attention, in order for ICD and the Leviant Foundation to best support them. In 2021-2022, ICD A&M supported nine different foundations, teams, charities, and events within our community, and those important to our employees. Our major recipients included the Wentz Family Foundation, which supports children in need through veteran-run fundraising efforts, our fire department and sheriff's fundraiser which work to protect our community; and our local high school's golf team to support their coaches and athletes. We will continue to focus our philanthropic efforts in our community, and through employee and stakeholder requests.



## LOOKING AHEAD: SOCIAL IMPACT GOALS FOR 2023 AND BEYOND

# 01

### IMPROVED DIVERSITY AT ALL LEVELS

Throughout our first ESG reporting process, we saw that diversity is a point of focus for us. To address this, we have a series of initiatives to address our diversity representation across all ICD companies. We are proud to be leaders in our markets for continuously pushing the needle on innovation, and in order to do that we rely on robust human capital.

- Updating our parental leave policy to reflect the U.S. Department of Labor Family and Medical Leave (FMLA) standards
- Company-wide annual DEI trainings
- Blind applicant screening during the hiring process
- Outreach to diverse hiring platforms or working groups for job postings and recruitment

# 02

### LOWERED LTIFR AND ABSOLUTE ZERO WORKPLACE INJURY

Employee health and safety is always our first priority. We have a goal of zero serious workplace injuries through in-depth trainings, updated safety management systems, and continued third-party safety audits.

# 03

### EMPLOYEE-DRIVEN PHILANTHROPY

We will continue to support our community and projects important to sustainable economic and social development. We look forward to our continued philanthropic efforts and supporting the passions of our employees and stakeholders through financial contributions that align with our values.



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ICD ALLOYS & METALS

ESG REPORT

# GOVERNANCE

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## RISK MANAGEMENT

ICD A&M assesses both internal and external risk in every strategic conversation over a 12-24 month prediction period. These conversations center around political, environmental, security, financial, commercial, geopolitical, and legal spheres. ICD A&M, like our fellow ICD subsidiary companies, have set up a series of measures to ensure business continuity throughout our risk profile. These measures include:

- Financial support to maintain operations and supply chain success
- Employee success via succession planning and training
- Maritime insurance
- Carrying excess inventory and strategic warehouse placement and organization
- Diversification of supply sources to offer relevant products

## BUSINESS MODEL RESILIENCE

Climate risk is at the forefront of our future-planning and risk analysis. ICD A&M's business model has incorporated climate change risk to ensure resiliency by improving and developing our recycling capabilities in view of increased environmental regulations on the mining industry and geopolitical uncertainties. Our recycling capabilities, such as melting scrap metal into a final form, extending the life of current products,

and reusing metals throughout the supply chain offers an alternative to materials subject to tariffs, and reduces the dependency on a global supply chain in an uncertain world.

We are committed to securing a reliable critical metals supply chain through the onshoring of critical metals which helps mitigate supply chain risk and focuses our economic output and impact in our own country.

Our long-term growth strategy is aligned with our sustainability priorities; by improving our recycling capabilities, offering alternative materials, and investing in R&D of domestic metals we are adapting to the changing needs of our world.

In FY2021, ICD Group started a plan to be at the forefront of metals recycling as it foresees climate change regulations, increased dependence on electric vehicles, and the reduction of the availability of rare earth minerals required to produce this new technology.



## RESILIENCY THROUGH ICD MELTING SOLUTIONS

We are driven by our purpose: to bring ethical business solutions from mine to market for our customers. This purpose led to the acquisition of ICD Melting Solutions in 2021. ICD Melting Solutions utilizes the ICD Group network and capabilities, along with its high-level melting solutions to domestically source, recycle, and melt specialty metals in demand from advanced industries.

ICD Melting Solutions, based in Albertville, Alabama, was a diamond in the rough with a solid electric arc furnace, AOD, and toll processing capabilities when it was acquired- but the facilities were in poor condition with low staff morale. Steve Conlin, ICD A&M's President, saw the opportunity to become a one-stop shop solution for our customers, and invest in a company to bring its people and community to a new level of pride, influence, and impact.

ICD Melting Solutions is a key component of ICD Group's innovative supply chain management; at least 65% of our materials are made with scrap metal. We prioritize "domestic urban mining" rather than invasive mining and reliance on international supply chains where transparency isn't always a priority. The global demand of these resources outpace the amount of raw, virgin materials we have access to through invasive

mining techniques. This finite resource has become the center of an extremely destructive industry; we are changing this narrative. Closing the loop on metals production through scrap recycling and reclamation ensures that we can support our domestic needs, bolster our own economy, and protect our natural environments.



*"It is no secret that the United States is overly reliant on our adversaries for strategic materials, many of which we are 100% reliant. The move by ICD A&M to begin processing in Albertville will not only bring new jobs to our district but serves as an example of outstanding leadership in the industry and nation that I hope to see others follow."*

- Congressman  
Robert Aderholt  
Alabama



**JOSH SHEFFIELD**ICD MELTING SOLUTIONS  
OPERATIONS MANAGER

Josh has handled just about every aspect of the business during his career at ICD A&M. He was one of the original three team members on the floor during the opening of Alloys & Metals in 2013. He views melt shops as the real magic of the business, and instantly took on the challenge of transforming an outdated foundry to a state-of-the-art facility with a highly-skilled team that is excited and ready to work together.

With Josh at the helm, and while working with the existing, experienced team, there has been a total shift in employee attitude, excitement for job progression, updated safety practices, and a facility which reflects the value ICD puts into each of its employees.

*“The journey is the fun part; you’ll never achieve perfection, and at the end of the day it’s not about that. It’s about continuous improvement and seeing the evolution since day one. We aren’t stopping until we can build something sustainable for our grandkids, as a premier employer in our community.”*

*-Josh Sheffield  
Operations Manager  
ICD Melting Solutions*



Safety, productivity, and quality were at an all-time low prior to ICD taking ownership. Darryl Roden, Vice President of ICD Melting Solutions, saw a positive shift in culture almost immediately when ICD finalized the acquisition. Employees began to recognize that ICD introduced a future that had been diminished over a period of time, especially to the senior employees.

*“Although my time with ICD has challenged me in many ways, it has been refreshing to see the changes that are being made to the facility. For the first time in several years, I feel as though I have the professional and financial support to expand the operation to its fullest potential. This allows me to make the decisions necessary to manage more efficiently.”*

*-Darryl Roden  
Vice President, ICD Melting Solutions*

ICD Melting Solutions has created a positive social presence within the community and among our staff. We have attended several job fairs within the community and hosted high school student tours at our facility as part of the local Manufacturing Association. Most of the new employee referrals come from our staff, which speaks volumes about our employee relationship.



**DARRYL RODEN**  
ICD MELTING SOLUTIONS  
VICE PRESIDENT



## BUSINESS ETHICS

All employees involved in purchasing and sales receive robust internal training on business ethics and anti-corruption “walk away” policies. Employees are expected to uphold our core values during business functions and daily operations by acting in an ethical and professional manner. We seek transparency at every step of our supply chain so potential corruption and/or social risks are identified and assessed in advance. We have historically walked away from 100% of opportunities or transactions where corruption risks were identified, and in FY2021 there were no instances of corruption within ICD A&M nor did we conduct business in any of the countries with the 20 lowest rankings in Transparency International’s Corruption Perception Index (CPI).

Our self-auditing system monitors compliance with all policies and receives monthly reports from department heads to ensure every business function is operating with the highest integrity and lawfulness. In order to verify compliance with internal and external policies, we contract external consultants for assurance checks and to engage for legal advice. We also have an exclusive compliance team responsible for maintaining, managing, and expanding all applicable compliance systems and standards with legal and regulatory policies.

## ICD A&M HAS CULTIVATED AN ENVIRONMENT AND CULTURE AROUND TRANSPARENCY AND COMPLIANCE WITH ALL PROCESSES, POLICIES, AND SYSTEMS RELATING TO ETHICAL BUSINESS PRACTICES.

### CYBER SECURITY

Data security has a direct reporting line to the Executive Committee of ICD A&M. Our in-house IT manager and third-party IT service provider manage access and are responsible for ensuring that data access rights are applicable to user roles in order to protect sensitive information. The IT team carries out periodic audits on emails containing sensitive information, ongoing cybersecurity training, periodic penetration tests against the network, and endpoint monitoring to ensure a secure internal environment. We are currently working towards full implementation of NIST 800-171 standards which provide guidance for government contractors to protect certain types of federal information.

In FY2021, there were no claims of confirmed or suspected breaches.

# 100%

of opportunities or transactions where corruption risks were identified, we have walked away from

## LOOKING AHEAD: GOVERNANCE GOALS FOR 2023 AND BEYOND

# 01

### INTERNAL ESG TEAM

We will create an internal ESG steering committee in order to ensure fair ESG practices across all ICD companies, help us meet our annual and long-term ESG goals, and push our innovation through a holistic sustainability lens.

# 02

### WHISTLEBLOWER POLICY

We will cement in a Whistleblower policy which protects all of our employees when reporting poor business practices. This policy will uphold our commitment to ethical labor and business practices across our value chain.

# 03

### FULL VALUE CHAIN TRANSPARENCY

We are implementing a strict Know Your Customer (KYC) due diligence process in order to get third-party verified information on leadership, ethical business practices, full traceability of products, and conflict-free assurance on all of our future suppliers and partners.

# 04

### OFFICIAL POLICY ADOPTION & DOCUMENTATION

We will begin and complete a documentation process in FY2023 which cements our policies and practices into our operations and ensures full incorporation of sustainability principles into our business model. These practices and policies include, but are not limited to: hiring processes, benefits and parental leave, employee health and safety management systems, supplier screening qualifications, KYC practices, risk management, and security policies.

# ICD ALLOYS & METALS AWARDS



**S&P GLOBAL PLATTS**  
**GLOBAL METALS AWARDS**  
**2020 WINNER**

S&P Global Scrap & Recycling Industry Leadership Award



**Awards for**  
**Steel Excellence**

Fastmarkets Award for Steel Excellence: North American  
Scrap Company of the Year





## METHODOLOGY

S&P Global gathered, analyzed, and presented our ESG data through Sustainable<sup>1</sup>. They modeled environmental key performance indicators including GHG Emissions, water consumption, and waste generated for ICD Group and our subsidiaries. The modeled emissions, water consumption, and waste generation are calculated by first mapping each of the business segments to more than 450 business activities in the Sustainable<sup>1</sup> extended input-output model (EEIO). The EEIO model is based on NAICS but goes into greater granularity in some areas and is used to estimate data for over 800 environmental and operational metrics across our entire operations of companies from the raw materials we depend on to the electricity we purchase to power our operations. Once the business segments and share of revenue apportioned to each are mapped, Sustainable<sup>1</sup> is able to efficiently generate a data-modeled profile for ICD. S&P Global collected and determined data for this report.

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